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REPORT

drawn up on behalf of the Committee on Development and Cooperation

on the conclusions to be drawn from the Sixth United Nations
Conference on Trade and Development

(Belgrade, 6 June to 3 July 1983)

Rapporteur : Mr R. COHEN

PE 86.784/fin.

By letter of 14 July 1983 the Committee on Development and Cooperation requested authorisation to draw up a report on the conclusions to be drawn from the Sixth United Nations Conference on Trade and Development (Belgrade, 6 June to 3 July 1983).

Authorisation was given by the Enlarged Bureau at its meeting of 14 September 1983. The Committee on External Economic Relations was consulted for opinion.

On 29 September 1983 the Committee on Development and Cooperation appointed Mr Cohen rapporteur.

It considered the draft report at its meeting of 30 November 1983. At the same meeting the committee unanimously adopted the motion for a resolution.

Present: Mr Deschamps, oldest member present, acting chairman; Mr Cohen, rapporteur; Mrs Carettoni-Romagnoli; Mrs Castellina; Mr de Courcy Ling; Mr Fellermaier; Mr Johnson (deputising for Mr Sherlock); Mrs Rabbethge; Mr Konrad Schon (deputising for Mr Luster); Mr Vankerkhoven; Mr Wawrzik.

The opinion of the Committee on External Economic Relations in the form of a letter is attached.

The report was tabled in its final version on 5 December 1983.

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A

The Committee on Development and Cooperation submits to the European Parliament the following motion for a resolution together with explanatory statement :

MOTION FOR A RESOLUTION

on the conclusions to be drawn from the Sixth United Nations Conference on Trade and Development (Belgrade, 6 June to 3 July 1983)

The European Parliament,

- having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on External Economic Relations (Doc. 1-1147/83);
- having regard to its resolution of 20 May 1983 on the Sixth UNCTAD (1)
- having regard to the results of this conference held from 6 June to 3 July 1983 in Belgrade,

1. Reiterates its resolution of 20 May 1983; ⁽¹⁾
2. Observes that a large number of the demands and requests set out in that resolution have not been met;
3. Confirms that UNCTAD must not be regarded as a conference standing in isolation but as one of a series of past and future international conferences held with a view to achieving a new and better understanding between the industrialized and the developing countries;
4. Assumes that solutions will be sought at a later stage - both within and outside the UNCTAD framework - for a large number of problems for which no solution was found at UNCTAD VI;
5. Draws attention to the special responsibility incumbent on the industrialized world with regard to the solution of the developing countries' debt burden and to the role that the IMF can play in solving this problem;

(1) OJ No. C161 of 20.6.83, p. 183 - 5 -

6. Stresses the importance of restricting protectionist measures so that the developing countries can increase their revenue from trade;
 7. Draws attention to the European Community's duty to accede to the International Sugar Agreement and, in general, to play a positive part in the establishment of raw materials agreements and the Common Fund;
 8. Calls on the European Community not to use the negotiations with the Lomé countries as an excuse for inaction at world level;
 9. Draws attention to the importance of a thorough examination of the role and significance of parliamentary delegations at international conferences.
-
10. Instructs its President to forward this resolution and the report of its Committee to the Council and Commission of the European Communities and to the Secretary-General of the United Nations Conference on Trade and Development.

B.

EXPLANATORY STATEMENT

I. INTRODUCTION

1. The Sixth United Nations Conference on Trade and Development which met in Belgrade from 6 June to 3 July 1983 constituted the most important forum this year where representatives of North and South could discuss the major problems affecting development and North/South relations in the light of the current economic situation. Much of the discussion was held on the basis of a series of resolutions prepared in advance by the Group of 77 (developing countries) which met for this purpose in Buenos Aires (Argentina) from 28 March to 9 April 1983. These resolutions, known as the "Buenos Aires Platform", formed the negotiating targets for the Group of 77. In certain areas the platform reiterated former unsuccessful positions taken by the Group of 77.

2. The Buenos Aires Platform dealt with the following themes:

- commodities including the Common Fund
- implementation of the Integrated Programme for commodities
- compensatory financing of shortfalls in export earnings
- the stabilisation and strengthening of commodity markets
- international trade in goods and services
- financial and monetary issues including general financial and monetary issues, official development assistance, multilateral financial institutions, international monetary reform and external debt
- least developed countries, including the implementation of the substantially new programme of action for LLDCs
- landlocked and island developing countries
- technology
- shipping
- trade and economic cooperation among developing countries
- a resolution on assistance to the peoples of Namibia and South Africa
- institutional matters.

3. The Community acted during this conference on the basis of guidelines decided on by the Council on 24/25 May 1983 which were added to and adapted at Belgrade as the meeting progressed.

4. In addition the European Council, meeting in Stuttgart from 17 to 19 June 1983, published the following statement¹ on UNCTAD VI :

The European Council regards the Sixth United Nations Trade and Development Conference (UNCTAD VI) in Belgrade as a very important event in the North/South Dialogue in 1983. The Conference is being held against the background of a difficult economic situation, particularly in many developing countries. The Community is participating in the Belgrade negotiations in a spirit of co-operation and readiness to discuss. The European Council agrees that it has special responsibility for maintaining and improving the marketing opportunities of the developing countries. This will be given concrete shape by means of a policy directed at growth and at maintaining and reinforcing the open nature of the Community. The European Council expects the Conference to contribute to strengthening confidence in the world economic recovery and to the promotion of development in the Third World. The Community will make a constructive contribution to that end.

II. THE RESULTS OF THE CONFERENCE

5. While UNCTAD VI could be said in general to have been characterised by a climate of non-confrontation based on the acceptance of interdependence between developed and developing countries and the importance of constructive dialogue, nevertheless the magnitude of the problems under consideration and the differences in approach between the Group of 77, as shown in the Buenos Aires Platform, and the Group B countries (industrialised countries), made negotiation particularly difficult. On several occasions it appeared as if the Conference would fail to reach concrete results.

6. Given these difficulties, it is worth noting that a considerable number of resolutions were adopted by consensus, and while UNCTAD VI cannot be regarded as a great success, neither was it by any means a total failure.

7. Your rapporteur would like briefly to consider the main results of UNCTAD VI, while pointing out that UNCTAD does not in itself take concrete decisions, it merely prepares the way for decisions which can be taken in organisations having specific responsibilities such as GATT and the IMF.

8. During the Conference much time was devoted to item 8 of the agenda dealing with the present international economic situation. The Conference organisers and the Group of 77 hoped that this could result in a "Belgrade Declaration" which was seen by the Group of 77 as an important step towards economic recovery

¹ Published in Bulletin of the European Parliament No. 26 of 28.6.1983, p.13 - 9 -

and development. It was hoped that this Declaration would have included an agreed analysis of the current economic situation in both the industrialised and developing countries and that it would come up with guidelines towards economic recovery and development.

9. From the start of the negotiations it was obvious that serious differences existed between the approach of the Group of 77 and that of Group B. For the former the present recession was to a great extent due to the structural inadequacy of the Bretton Woods international financial and monetary system and the international trading system as regulated by GATT. The Group of 77 took the view that the only solution would be a fundamental restructuring of the world economy and the achievement of a new world economic order.

10. According to the analysis of Group B, the current recession had shown the inherent resilience and viability of the present world economic system. These countries felt that the crisis could be overcome by concerted policies which would consolidate and generalise the recovery which was already starting in certain developed countries. This, in turn, would lead to a general world recovery benefitting both developed and developing countries. For Group B the approach should be that already outlined in the conclusions to the 1982 GATT Ministerial meeting, the OECD Ministerial meeting of May 1983 and the Final Declaration of Williamsburg.

11. Under these circumstances the Conference was obliged to adopt a compromise text which failed to satisfy the desires of the Group of 77 and which gave rise to interpretative declarations by 5 Member States of the Community (Belgium, Germany, Denmark, The Netherlands and the United Kingdom), as well as the United States, Japan, Switzerland, Australia and New Zealand.

12. Another major theme of UNCTAD VI was raw materials, given UNCTAD's particular role in this area. Discussions were largely based on the relevant resolutions of the Buenos Aires Platform and amendments and counterproposals submitted by Group B. As well as the implementation and consolidation of the Common Fund, the Group of 77 favoured the implementation of an integrated programme for raw materials to be achieved by the conclusion of interim agreements, the holding of a preparatory meeting with the aim of convening a conference to negotiate a complementary financing facility for developing countries' export deficits, and the organisation of a conference to negotiate a general framework of international cooperation with regard to the processing

and marketing of raw materials.

13. While important agreements were reached on the integrated programme and the Common Fund, and while a compromise resolution on processing and marketing was adopted by consensus, it was not possible to reach agreement on compensatory financing for export deficits. At the request of the United States, the draft resolution on this subject proposed by the President of the Conference was put to the vote. One country, the United States, voted against. 10 countries, from both Group B and Group D (East European Socialist countries), abstained, and 91 countries, including the Member States of the Community, voted for the text. The resolution thus voted proposed that a group of experts be set up to examine the advisability and possible nature of a new complementary financing mechanism, while the IMF was requested to complete the review of its compensatory financing facility and to examine the possibility of making special arrangements for the least developed countries.

14. Two other resolutions in the commodities sector, dealing with wheat and the UNCTAD-GATT Centre for International Trade, were also adopted by consensus. It can thus be seen that while real difficulties subsist in this area between the developing and industrialised countries, there is nevertheless a broad area on which agreement can be reached.

15. Item 10 of the agenda dealing with trade was particularly difficult, given the current economic situation and the protectionist tendencies manifest in several areas of the world. Nevertheless discussion on this topic led to the adoption by consensus of a resolution (except for two paragraphs thereof regarding services which were adopted by 95 votes in favour, one - the United States - against, and one abstention, though Group B made declarations with regard to several sections of this resolution). This satisfactory result was largely due to the efforts of the President who was able to come up with a compromise text acceptable to both the Group of 77, and, with reservations, the Group B.

16. The final resolution on trade contained provisions acceptable to all groups on protectionism, the international trade system and the generalised system of tariff preferences and, while much shorter than the text contained in the Buenos Aires Platform, nevertheless remains a valuable achievement.

17. It should be noted that the Community played a most important role in the formulation of the Group B position with regard to trade. The representative of the Commission was one of the principal negotiators for Group B during the decisive trade discussions.

18. Item 11 of the agenda dealt with monetary questions and finance. Despite wide initial divergence between the positions of the Group of 77 and the Group B in this area, nevertheless five resolutions were adopted by consensus relating to the following areas :

- external debt,
- international monetary problems,
- public development assistance,
- multilateral development institutions,
- international export credit guarantee mechanisms.

It should be noted that this was the first UNCTAD Conference at which consensus was reached on international monetary problems.

19. It should be noted, however, that the Group of 77 was obliged to accept much less far-reaching formulations of these resolutions than had been proposed in the Buenos Aires Platform, and that the spokesman of the Group of 77, Ambassador OSMAN of Somalia, expressed the disappointment of his group at the limited nature of the texts adopted, particularly regarding the volume of finance provided for multilateral development institutions and the seventh replenishment of the IDA, the volume of IMF resources and the allocations of new special drawing rights. Group B maintained throughout the meeting that UNCTAD should not prejudge decisions which should rightly be taken in the competent fora, notably the IMF.

20. With regard to the least developed countries (item 12 of the agenda), it was possible to adopt, by consensus, a resolution regarding the application of the new substantive action programme that came out of the 1981 Paris Conference. This item gave rise to considerable difficulties as the initial position adopted by the Group of 77 in the Buenos Aires Platform appeared to imply a re-negotiation of the Paris programme, calling for new commitments on the part of the industrialised countries.

21. The final compromise text was based to a great extent on the Paris programme and examined progress to date with regard to its implementation, including the re-affirmation of the 0.15% of GNP target or the doubling of aid to LLDCs by 1985 over the 1976-1980 level. It should be noted that one Community Member State

(the United Kingdom), and the United States made interpretative declarations.

22. Your rapporteur regrets that the Community was not able to adopt a unanimous position regarding the achievement of the 0.15 target or the doubling of aid by 1985 or as soon as possible after that date, nor was it able to agree on the precise formulation of proposals regarding the extension of Stabex to non-associated LLDCs, given the divergent positions of Member States.

23. The "Basket items", 13 and 14 of the agenda, dealt with a series of what should have been relatively minor areas. Two resolutions were adopted by consensus regarding land-locked and island developing countries, while considerable difficulties were encountered with regard to resolutions proposed by the Group of 77 in the fields of technology, marine transport, East/South relations and institutional questions, and agreement was not reached on these items.

24. In addition the Conference adopted a series of political resolutions which were not subject to negotiation. These were adopted by roll-call vote. With regard to assistance to the Palestinian people, a resolution was adopted by 84 votes in favour, two against (USA and Israel), and 20 abstentions, including 9 Community Member States, (Greece voted in favour of the resolution).

25. With regard to assistance for the Namibian and South African peoples, a resolution was adopted by 84 votes in favour, 1 against (USA), and 19 abstentions including all Community Member States. Community abstentions on these two issues were based on the view that UNCTAD was not a suitable forum for the discussion of such general political issues.

26. A resolution rejecting coercive economic measures was adopted by 81 votes in favour, 18 against and 7 abstentions. 9 Community Member States voted against, and the 10th, Greece, abstained.

27. In addition, a series of humanitarian and procedural resolutions were passed.

28. As can be seen from the brief description of the outcome of UNCTAD VI outlined above, on most important issues compromise texts, frequently falling far short of the initial positions of the Group of 77, were adopted.

III. THE DELEGATION OF THE EUROPEAN PARLIAMENT TO UNCTAD VI

29. The European Parliament, and particularly the Committee on Development and Cooperation, have maintained a consistent interest in UNCTAD. In preparation for UNCTAD VI the Committee on Development and Cooperation drew up a report¹ which was adopted by the European Parliament on 20 May 1983, outlining its views on the line to be taken by the Community in the Conference. While this report was of a purely advisory nature, it nevertheless gave rise to widespread favourable comment by representatives of different sections, and notably the Group of 77, at Belgrade.

30. Following consultations with Mr Jan PRONK, Deputy Secretary General of UNCTAD, the Committee on Development and Cooperation decided to seek authorisation of the Bureau to send a delegation to the Sixth United Nations Conference on Trade and Development to be held in Belgrade from 6 June to 1 July 1983. Authorisation was accordingly granted for a delegation of six members to attend the Conference for not more than one week.

31. The Delegation consisting of

Mr R. Cohen

Mr P. Cousté

Mr J. de Courcy Ling

Mrs H. Poirier,

Mr V. Sablé, and

Mr P. Vankerkhoven

was present at UNCTAD VI from 23 - 27 June 1983.

(Mr Pannella had been appointed to the Delegation but was unable to be present in Belgrade).

32. The Delegation decided that the most useful procedure would be for it to have a series of meetings with representatives of different tendencies so as to exchange views and express its opinion on the issues involved. Meetings were held with the Presidency of the Council represented by H.E. Dr. Sulimma, Acting Head of the Delegation of the Federal Republic of Germany; representatives of all regions within the Group of 77 including Ambassador Osman of Somalia, spokesman for the Group, and Mr Perez Guerrero of Venezuela, former Secretary General of UNCTAD, Mr Vratusi, head of the delegation of Yugoslavia,

¹ Doc. 1-255/83, OJ No. C 161 of 20.6.1983, p.183

Mr Gordon Streeb, head of the U.S. delegation, the heads and other members of the delegations of the Member States of the Community, the General Secretariat of the Council, the delegation of the Commission led by Mr van Hoek, and Mr Pronk, Deputy Secretary General of UNCTAD.

IV. CONCLUSIONS

33. While the Final Statement insists that "problems of the magnitude and complexity that the world face today calls for a global approach in which all countries must play a part," and "the reactivation of the growth process in the developing countries will not come as a trickle-down effect of the growth in developed countries," nevertheless the developing countries left Belgrade deeply dissatisfied with the outcome of the Conference while the industrialised countries felt that not really a great deal had been achieved. In fact the United States was not prepared to support the Final Statement as it considered the resurgence of economic growth in the industrialised countries as the necessary condition for global recovery, rather than a coordinated set of development policies. Furthermore most of the Group B (industrialised countries) Delegations felt that UNCTAD VI was not a suitable forum for the discussion of many of the issues raised in the Buenos Aires Platform and referred to in the preceding section of this report.

34. Perhaps the most significant feature of UNCTAD VI was that it took place at all and that it was attended by representatives of the developing countries (ranging from the NICs to the LLDCs), representatives of "State Trading Socialist Countries" and of industrialised countries, including the USA. Though few concrete results emerged your rapporteur considers it important that dialogue be maintained.

35. Another significant feature of the Conference was the particularly low profile of the Group D countries, who played a minimal part in UNCTAD, claiming that the present world crisis and the condition of the developing countries were the consequences of capitalist economic policies, colonialism and neocolonialism, and were thus the responsibilities of the Group B countries. This position is symptomatic of the general Soviet and Eastern European attitude regarding development assistance, and means that UNCTAD is to a great extent a dialogue between

the Group of 77 and Group B, with Group D playing a largely passive role.

36. One could also criticise the role of the Community within Group B. While it was perhaps to be expected that the Council and Commission would take a more restrictive line than that adopted by the European Parliament in the Cohen report¹, it is disappointing to note that not even the more limited declaration on UNCTAD VI adopted by the European Council in Stuttgart (see paragraph 4 supra) was fully reflected in the attitude adopted by the Community in Belgrade. While opposing protectionism, did the Community really invoke its "special responsibility for maintaining and improving the marketing opportunities of the developing countries"? As the ACP-EEC Joint Committee and Consultative Assembly and the European Parliament have repeatedly pointed out, the mere removal of tariff barriers and granting of open access will not in themselves lead to increased markets for goods from developing countries. Yet at Belgrade this was interpreted as just belief in the value of an open world market, no concrete action being proposed actively to encourage the marketing opportunities of third world countries.

37. While the Community undoubtedly played a vital role at the conference, acting as a mediator between the more rigid elements in Group B, notably the United States, and the Group of 77, nevertheless the members of the European Parliament Delegation felt that, in general, the Community approach was unimaginative and somewhat restrictive. It is furthermore to be regretted that, despite a high degree of coordination overall, differences of opinion between the Member States were evident with regard to certain important issues.

38. It is appropriate for a report such as this to consider the question of European Parliament representation in International Conferences of this nature. The members of the delegation felt that their presence in Belgrade was useful both as a means of informing themselves and, indirectly through this report, the Committee on Development and Cooperation and the European Parliament, of the present state of North/South relations, while opportunities were also available for making known to both the Member States' Delegations and to other Delegations the views of the European Parliament. In this regard it should be recalled that the Resolution on UNCTAD VI voted by the European Parliament on 20 May 1983¹ was highly appreciated by the representatives of the Group of 77. While it is evident that neither the resolution nor the

¹ Doc. 1-255/83, OJ No. C161 of 20.6.1983, p.183

discussions had any effect on the position taken by the non Community Group B countries, including notably the United States, it was felt that there was a certain value in holding discussions with the representatives of the Member States because, as was pointed out by the leader of the European Parliament delegation, the European Parliamentarians represented the views of the people of the European Community rather than of the governments.

39. In conclusion your rapporteur calls for a serious review of the role of the European Parliament in Community delegations to international conferences. While recognising that parliamentarians should not, and could not, be negotiators, nevertheless the presence of parliamentarians in delegations could be valuable, and is not without precedent (cf. the Netherlands, the United States).

40. Paragraph 14 of the European Parliament's resolution¹ of 18 December 1981 on the results of the UN Conference on the Least Developed Countries (Paris, 1-14 September 1981) reads "is dissatisfied with the role which the European Parliament's delegation was able to play at the Paris Conference and instructs its competent bodies to give careful consideration to how Parliament's delegations could function more effectively at future international conferences." While the situation in Belgrade was much more satisfactory than at Paris, due to a large extent to the high degree of cooperation extended to the delegation by the Council and by the Commission, nevertheless the position of such delegations needs to be further defined. Your rapporteur notes that, though almost two years have elapsed since Parliament adopted its resolution on the Paris Conference, no action had yet been taken such as was called for in paragraph 14. It is most important that the Bureau of Parliament and the parliamentary committees concerned, in collaboration with the Commission and Council of the European Communities, address themselves to this recurring problem.

¹Rapporteur Mr Cohen, OJ No. C 11 of 18.1.1982, p.194

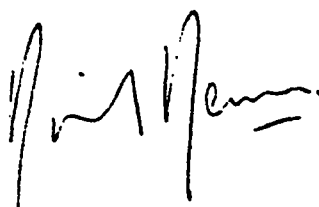
OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Letter from the Chairman of the Committee to Mr Poniatowski, Chairman of the Committee on Development and Cooperation

Dear Mr President,

At its meeting of 2 December 1983, the Committee on External Economic Relations considered Mr Cohen's report on the outcome of UNCTAD VI (PE 86.784). The Committee were in agreement with Mr Cohen's motion for a resolution and asked Mr Cohen to convey their agreement to your Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Fred Catherwood', with a stylized flourish at the end.

pp Sir Fred CATHERWOOD

Present: Sir Fred Catherwood, Chairman; Mr van Aerssen, Vice-Chairman; Mr Cohen (deputising for Mr Rieger), Mrs Gredal (deputising for Mrs Wieczorek-Zeul), Mr Mommersteeg, Mrs L. Moreau, Mr Pelikan, Mr Seeler and Mr Spencer

